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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE MINNESOTA OFFICE OF ENERGY SECURITY ENERGY FACILITY PERMITTING STAFF

DOCKET NO. IP-6722/WS-09-341

Meeting Date: October 8, 2009.....Agenda Item # _____

Company: Grant County Wind, LLC (GCW)

Docket No. **PUC Docket Number: IP-6722/WS-09-341**

In the Matter of the Grant County Wind, LLC, for a Large Wind Energy Conversion System (LWECS) Site Permit for the 20 MW Grant County Wind Farm Project.

Issue(s): Should the Commission issue Grant County Wind, LLC, a Large Wind Energy Conversion System Site Permit for the Grant County Wind Farm Project?

OES EFP Staff: Larry B. Hartman651-296-5089

Relevant Documents

Site Permit Application for GCW April 22, 2009

The enclosed materials are work papers of the Office of Energy Security (OES) Energy Facility Permitting (EFP) Staff. They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted. This document can be made available in alternative formats; i.e., large print or audio tape by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

Documents Attached:

1. GCW Project Site Map
2. Proposed Findings of Fact and Conclusions
3. OES EFP Staff Exhibit List
4. Proposed Site Permit

(Note: see eDockets (09-341) or the PUC Facilities Permitting website for additional documents: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=20054>.

Statement of the Issue

Should the Commission issue Grant County Wind, LLC, a Large Wind Energy Conversion System Site Permit for the Grant County Wind Farm Project in Grant County?

Introduction and Background

Grant County Wind, LLC, (GCW), on its own behalf and as agent for each of its 10 generating members, applied for a site permit to the Commission on April 20, 2009, to develop the proposed 20-Megawatt Grant County Wind Farm Project located in Grant County. The proposed project is scheduled for construction in late 2009.

Project Location and Land Control

The proposed Grant County Wind Farm Project is located in southeastern Grant County, approximately five miles west of Hoffman, as shown on the accompanying map. See Attachment 1 in Commissioner's packet. The Project area includes portions of sections 13, 14 and 24 in Roseville Township. The proposed site, approximately 800 acres in size, is comprised primarily of agricultural lands (row crops and pasture), and scattered woodlots and farmsteads. GCW controlled, at the time of its application, approximately 765 acres of land and wind rights within the proposed Project Area.

GCW has options, leases or easements on the land and wind rights necessary within the site to build the Project. However, additional wind rights and buffers may need to be obtained to comply with site permit setback requirements. Land and wind rights will need to encompass the proposed wind farm and all associated facilities, including but not limited to wind and buffer easements, wind turbines, access roads, one meteorological tower, electrical collection system and electric lines located on or along public road rights-of-way. Site terrain is relatively flat and elevation varies from 1,200 to 1,220 feet above sea level. The Grant County Wind Farm Project will temporarily disrupt up to fifty acres of agricultural land for roads and turbine components and other associated facilities during the construction phase. It is anticipated that the area of direct land use for the turbines, associated facilities and roads, excluding the substation, will be no more than 20 acres for the Project.

Grant County Wind Farm Project

The Grant County Wind Farm Project as proposed will use 10 Suzlon S88 2 MW wind turbines. The Suzlon wind turbines will be mounted on 80-meter (262 feet) high freestanding tubular steel towers. The blades on the Suzlon wind turbine are approximately 44 meters (142 feet) long. The rotor diameter is 88 meters (289 feet). The electrical collector system will consist of underground 34.5 kV collection and feeder lines. The electrical system and feeder lines will be located along public roads when possible.

Other project components include: all-weather class 5 access roads of gravel or similar materials, pad-mounted step-up transformers, concrete and steel tower foundations, an underground supervisory control and data acquisition system, one permanent reference meteorological tower, and a project substation.

Power from the Project substation will be delivered to the Roseville substation. These two substations are adjacent to one another.

Regulatory Process and Procedures

A Certificate of Need (CON) from the Commission is not required for this project because it is less than 50 MW in size (See Minn. Stat. §216B.243).

A site permit from the PUC is required to construct a Large Wind Energy Conversion System (LWECS), which is any combination of wind turbines and associated facilities with the capacity to generate five megawatts or more of electricity (Minnesota Statute Chapter 216F). This requirement became law in 1995. The rules to implement the permitting requirement for LWECS are in Minnesota Rules Chapter 7854.

Site Permit Application, Preliminary Determination and Draft Site Permit

On April 20 2009, GCW filed a site permit application with the Commission. On June 11, 2009, the PUC considered acceptance of the Site Permit application. On July 9, 2009, a Commission Order accepted the site permit application. On July 16, 2009, OES issued a notice of application acceptance and opportunity to comment on the completeness of the application. Comments on application completeness were accepted until August 7, 2009. On August 24, 2009, the Commission issued an Order issuing a draft site permit for review and comment. Notice of Public Information Meeting and availability of draft site permit was issued and published in the *EQB Monitor* and the *Grant County Herald* and sent to governmental agencies and landowners in the Project area.

Public Participation Process

The rules provide opportunities for the public to participate in deliberations on the LWECS site permit application. The public was advised of the submission of the site permit application after the application was accepted. OES EFP staff held a public information in Hoffman on September 8, 2009, to provide the public with an overview of the permitting process for LWECS and to receive comments from the public on the site permit application and draft site permit. The

meeting also provided the public with an opportunity to ask questions of OES EFP staff and the applicant and to express concerns or issues related to the Project. About 40 people attended the public meeting.

Representatives of the applicant were available to describe the project and answer questions. A question was raised about installation and sizing of culverts to allow for drainage. No other Project related issues were raised or questions asked.

Public Comments

One comment letter was submitted by the Minnesota Department of Natural Resources on September 23, 2009.

OES EFP Staff Comments and Analysis

Minnesota Department of Natural Resources Comment Letter

In a September 23, 2009, letter the DNR indicated that they would like an opportunity to review the biological survey prior to the start of construction.

OES EFP Response: The DNR will be provided with a copy of the biological survey prior to the start of construction. See Site Permit III.D.1.

Standard for Permit Issuance

The test for issuing a site permit for a Large Wind Energy Conversion System is to determine whether a project is compatible with environmental preservation, sustainable development, and the efficient use of resources. Minnesota Statutes Chapter 216F. The wind statutes incorporate certain portions of the Power Plant Siting Act, including the environmental considerations. Minnesota Rule 7849.5900. Also, the law allows the PUC to place conditions in LWECS permits. Minnesota Statutes 216F.04 (d).

Based on the record of this proceeding, DOC EFP staff concludes that the Grant County Wind Farm Project meets the procedural requirements and the criteria and standards for issuance of a site permit identified in Minnesota Statutes and Rules. The site permit application has been reviewed pursuant to the requirement of Minnesota Rules Chapter 7854 (Wind Siting Rules).

OES EFP staff has prepared for Commission consideration proposed Findings of Fact, Conclusions and Order, Exhibit List and a proposed Site Permit for the Grant County Wind Farm Project.

The site criteria addressed in the Findings of Fact (such as human settlement, public health and safety, noise, recreational resources, community benefits, effects on land based economies, archaeological and historical resources, animals and wildlife and surface water) track the factors described in the PUC's rules for other types of power plants that are pertinent to wind projects. The conditions in this proposed Site Permit are essentially the same as conditions included in other LWECS site permits issued by the Environmental Quality Board and the Commission.

Proposed Findings of Fact

The proposed Findings (see Attachment 2 in the Commissioner's packet) address the procedural aspects the process followed, describe the project, and address the environmental and other considerations of the project. The proposed Findings of Fact reflect some findings that were also made for other LWECS projects. The following outline identifies the categories of the Findings of Fact.

<u>Category</u>	<u>Findings</u>
Background and Procedure	1 – 13
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Project Description	15 – 23
Site Location and Characteristics	24 – 26
Wind Resource Considerations	27 – 29
Land Rights and Easement Agreements	30 – 32
Site Criteria	33 – 77
Site Permit Conditions	78 – 80

Exhibit List

OES EFP staff has prepared an exhibit list of documents that are part of the record in this permit proceeding. Not all of the exhibits have been eFiled to date, but they are identified in the exhibit list and will be eFiled prior to the Commission meeting on October 8, 2009.

Proposed Site Permit

The OES EFP Staff has prepared a site permit for the Commission's consideration. See Attachment 4 in the Commissioner's packet.

Commission Decision Options

A. Grant County Wind Farm Project Findings of Fact and Conclusions

1. Adopt the attached Findings of Fact, Conclusions of Law and Order prepared for the 20 MW Grant County Wind Farm Project in Grant County.
2. Amend the Findings of Fact and Conclusions of Law as deemed appropriate.
3. Make some other decision deemed more appropriate.

B. LWECS Site Permit for the 20 MW Grant County Wind Farm Project

1. Issue the proposed LWECS Site Permit for the 20 MW Grant County Wind Farm Project to Grant County Wind, LLC.
2. Amend the proposed LWECS Site Permit as deemed appropriate.
3. Deny the LWECS Site Permit.
4. Make some other decision deemed more appropriate.

OES EFP Staff Recommendation: The staff recommends Options A1 and B1.